



State of Washington  
**PUBLIC DISCLOSURE COMMISSION**

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9:00 a.m.  
February 24, 2004

**MINUTES – REGULAR MEETING**

Evergreen Plaza Bldg. Room 206  
711 Capitol Way South  
Olympia, Washington

**COMMISSION MEMBERS PRESENT**

Earl Tilly, Chair  
Michael Connelly, Vice Chair  
Francis Martin, Secretary

**STAFF PRESENT**

Vicki Rippie, Executive Director  
Susan Harris, Assistant Director  
Michael Smith, Chief Technology Officer  
Nancy Krier, Senior Counsel  
Linda Dalton, Sr. Asst. Attorney General  
Ruthann Bryant, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Earl Tilly at 9:00 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

**Commissioner Comments**

No Commissioner comments were expressed.

**Citizen Comments/Concerns**

No citizen comments or concerns were expressed.

**Minutes**

**Motion 04-066**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission adopts the minutes  
of December 10 and December 17,  
2003 and January 13 and January 27,  
2004 as written.**

The motion passed unanimously.

Advisory Matter

Vicki Rippie reported on the impact on contribution limits of donors subject to RCW 42.17.640(1) when state office candidates do not have a primary election and summarized draft Interpretation 04-01.

**Motion 04-067**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission adopts Draft Interpretation 04-01, Contribution Limits: Impact When a State Office Candidate Does Not Have a Primary Election, as presented.**

The motion passed unanimously.

Rule Making  
*WAC 390-37-041*

*Enforcement procedures – Allegations submitted to the attorney general's office and/or prosecuting attorneys.* This rule was adopted during a recent review of all enforcement rules to comply with a Court of Appeals decision. Recently the Court of Appeals reversed its decision and the amendment removes reference to the tolling language.

Staff is requesting that the Commission amend this rule on an emergency basis.

Susan Harris also summarized draft language to the following rules:

- Amend WAC 390-17-030 Sample ballots and slate cards
- Amend WAC 390-37-030 Enforcement Procedures – Status of citizen complainant and others
- Amend WAC 390-37-041 Enforcement procedures – Allegations submitted to the attorney general's office and/or prosecuting attorneys
- New WAC 390-05-238 Public Opinion Polls – Valuation

- Amend WAC 390-18-030 Political advertising – Exemptions from identification

Commissioner Connelly requested that staff research the impracticality of identifying the top 5 contributors in a 30-second ad.

- Amend WAC 390-16-207 In-kind contributions – Explanation and reporting
- New WAC 390-05-295 Definition – Promise or promise to pay
- Amend WAC 390-16-238 Personal use of contributions – Standard

Commissioner Connelly expressed concern as to whether a list would help persons comply or create more questions, and suggested the list might best be used as a guideline.

**Motion 04-068**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission adopts, on an emergency basis, WAC 390-37-041 Enforcement procedures – Allegations submitted to the attorney general's office and/or prosecuting attorneys, as amended.**

The motion passed unanimously.

**Motion 04-069**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission approves draft language for WAC 390-17-030, WAC 390-37-030, WAC 390-37-041, WAC 390-05-238, WAC 390-18-030, WAC 390-16-207, WAC 390-05-295 and WAC 390-16-238 and authorizes staff to move forward with the rule-making process.**

The motion passed unanimously.

Electronic Filing Exemptions

*Val Barschaw*

Susan Harris reported that Val Barschaw, treasurer for Friends for Dan Kristiansen, requests an exemption from filing post-election reports electronically. During a review of the 2002 campaign Ms. Barschaw discovered that the committee's final C4 report needed to be amended, however no backup diskette was created and the program had been deleted from the former treasurer's computer since it was thought to be obsolete.

**Motion 04-070**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission grants an exemption for Val Barchaw from filing post election reports electronically.**

The motion passed unanimously.

*Cindy Ryu*

Susan Harris reported that Cindy Ryu requested an exemption from filing post election reports electronically since her employer had upgraded the computer system and deleted the WEDS program from her computer.

**Motion 04-071**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission grants an exemption for Cindy Ryu from filing post-election reports electronically.**

The motion passed unanimously.

Staff Reports

Executive Director

Vicki Rippie summarized the budget status report. She also briefly updated current legislation, which may have an effect on chapter 42.17 RCW. The Commission requested that Ms. Rippie testify on behalf of the Commission in support of HB 1670 regarding the definition of "election cycle."

Assistant Director

Susan Harris reported on staff changes and noted that the state auditor will be conducting an audit sometime in the next few months. She also updated the Commission on the progress of the training video currently under production.

Chief Technology Officer

Michael Smith updated the progress of the ORCA project and reported on the results of the IT Security Audit.

Senior Counsel

Nancy Krier briefly updated the status of current cases and noted that the petition for review to the Supreme Court in the PDC v. WEA case will be heard in May or June.

Reporting Modifications  
Renewals (no change)

The Commission considered the renewals with no change reporting modification requests en masse.

**Motion 04-072**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission grants Gordon Budke, Orlan Gessford, Dan O'Neal and Jack Pittis the reporting modifications as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Personal Financial Affairs Reporting

Professional Staff

Susan Harris stated that the Public Disclosure Law requires professional staff of the House, Senate and Office of the Governor to file an annual Financial Affairs Statement. The Commission is required to conduct a review of these professional staff positions each year. The House, Senate and

Governor's office have submitted a list of persons and positions they believe meet the requirements of professional staff.

**Motion 04-073**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission approves the lists of professional staff required to file Financial Affairs Statements with the Public Disclosure Commission as proposed by the Governor's Office, House of Representatives, and State Senate.**

The motion passed unanimously.

Executive Session

The Commission went into executive session at 11:05 a.m. to discuss pending and potential litigation with legal counsel.

Public Session

The Commission returned to public session at 11:15 a.m.

Reporting Modifications (cont.)

New

*Claire Grace, Member, Washington  
State Housing Finance Comm.*

Phil Stutzman reported that Ms. Grace requests and exemption from reporting the business and governmental customers of Weyerhaeuser Company, Weyerhaeuser Real Estate Company and the related entities of those companies, of which she is a corporate officer.

Ms. Grace was present via telephone and stated that as a general practice and expectation of the WA State Housing Finance Commission, members who have a personal or business relationship with anyone coming before the Commission recuse themselves from the decision making process.

**Motion 04-074**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission grants Claire Grace the reporting modification as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Enforcement Matters

Commissioner Tilly noted that Senior Assistant Attorney General Linda Moran would be advising the Commission for the afternoon session.

Hearings:  
*WA Independent Bankers PAC,*  
*Case #04-422*

Phil Stutzman read the Stipulation of Facts, Violations and Penalty into the record in the case against the WA Independent Bankers PAC for alleged violations of RCW 42.17.080 and .090 by failing to timely file monetary contribution reports for contributions received between August 1, 2000 and November 30, 2003, and by failing to timely file summary reports of contribution and expenditures for the same period. He noted that the PAC came to the PDC office and self reported all of the missing reports.

John Collins, Executive Director of Washington Independent Community Bankers Association and Treasurer of the PAC, was present and stated that he took over in 2000 and did not know about the PDC requirements. He added that the former Executive Director left on bad terms and no training took place prior to his taking the position.

**Motion 04-075**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**In PDC Case #04-422, WA Independent Bankers PAC, the Commission accepts the Stipulation**

**of Facts, Violations and Penalty of \$3,500 with \$1,000 suspended based on no future violations of RCW 42.17 for two years.**

The motion passed unanimously.

*Pat Mooney, Candidate, Anacortes*

*Port Commissioner, Case #04-310*

Susan Harris reported on three complaints, including a 45-day citizen action letter filed against Pat Mooney concerning alleged violations of RCW 42.17.040, .080 and .090 by exceeding the mini reporting threshold and by failing to timely report contributions and expenditures.

Staff recommends that the Commission find multiple apparent violations of RCW 42.17 and recommends the matter be referred to the Office of the Attorney General for appropriate action.

Mr. Mooney was present via telephone and requested that the case stay with the Public Disclosure Commission for corrective action.

**Motion 04-076**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**In PDC Case #04-310, Pat Mooney, the Commission sets the matter for full enforcement hearing.**

The motion passed unanimously.

*Al Kiefer, Case #04-130*

Ms. Harris briefly updated the Commission on the case of Mr. Kiefer who was found in violation of RCW 42.17.240 at an enforcement hearing on December 10, 2003. Mr. Kiefer was assessed a penalty of \$1,000 with \$500 suspended on the condition that all outstanding penalties are paid within 30 days of the date of the order. Mr. Kiefer did not pay the outstanding penalties within the required time and staff is requesting that the Commission reinstate the suspended portion of the penalty.



**Motion 04-077**

Moved by Commissioner Martin, seconded by Commissioner Connelly:

**In PDC Case #04-130, Al Kiefer, the Commission reinstates the \$500 suspended portion of the \$1,000 penalty. If the penalty is not paid within 30 days from the date of the order, the case will be sent to the Office of the Attorney General for collection.**

The motion passed unanimously.

Request for Review  
*Ben Medina, Case #03-234*

Mr. Stutzman reported that a brief enforcement hearing was held on June 12, 2003 in which Mr. Medina was found in violation of RCW 42.17.170 by failing to timely file monthly Lobbyist Expense Reports for February, March and April 2003. Mr. Medina was assessed a penalty of \$500. The reports have not been filed.

Mr. Medina had previously sought and had been granted two continuances to provide him with opportunity to be present and provide testimony for the Commission's consideration. Staff has not received written testimony from the Respondent to date.

There was no motion to review this matter.

Requests for Reconsideration  
*Kate Monahan, Case #04-387*

Mr. Stutzman reported that a brief enforcement hearing was held on December 15, 2003 in which Ms. Monahan was found in violation of RCW 42.17.170 by failing to timely file the monthly Lobbyist Expense Report for the month of May 2003. Ms. Monahan was assessed a penalty of \$150.

Ms. Monahan was present and stated that she had lost the keys to her PO Box and believed her mail would be forwarded to her. She said she did not receive the notices from the PDC.

There was no motion to reconsider this matter.

*Donald Hansey, Case #04-358*

Mr. Stutzman reported that a brief enforcement hearing was held on December 15, 2003 in which Mr. Hansey was found in violation of RCW 42.17.080 and .090 by failing to timely file the C-4 report due seven days before the 2003 general election. Mr. Hansey was assessed a penalty of \$200.

Mr. Hansey provided a letter that stated the treasurer made an error in the transmitting the C-4 reports electronically, which resulted in the reports not being recorded properly in the system.

There was no motion to reconsider this matter.

*Jim Robinson, Case #04-374*

Mr. Stutzman reported that a brief enforcement hearing was held on December 15, 2003 in which Mr. Robinson was found in violation of RCW 42.17.080 and .090 by failing to timely file the C-4 report due seven days before the 2003 general election. Mr. Robinson was assessed a penalty of \$200. Mr. Stutzman noted that although the report showed the wrong reporting dates, the required information was reported.

**Motion 04-078**

Moved by Commissioner Connelly, seconded by Commissioner Martin:

**The Commission vacates the order in PDC Case #04-374, Jim Robinson.**

The motion passed unanimously.

Adjournment

Commissioner Tilly adjourned the meeting at 2:15 p.m. The next meeting is scheduled for Wednesday, March 24, 2004.

Approved by the Commission 3/24/04